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5 and Refai Properties, LLC
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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

11 DANIEL REFAI, MD, an individual,
12 and REFAI PROPERTIES, LLC, a
Georgia limited liability company,
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Plaintiffs,
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v.
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RAMAN REFAEI, an individual;
16 RAMAN R, LLC, a fictitious California
limited liability company; and DOES 1-
17 10, inclusive,

Defendants.
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Case No.:

**COMPLAINT FOR BREACH OF
PROMISSORY NOTES**

DEMAND FOR JURY TRIAL

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20 Plaintiffs Daniel Refai, MD and Refai Properties, LLC bring this complaint
21 for breach of promissory notes against Defendants Raman Refaei, Raman R, LLC,
22 and Does 1-10, inclusive, respectfully showing this Court the following:

23 **THE PARTIES**

- 24 1. Plaintiff Daniel Refai, MD is an individual resident of Atlanta, Georgia.
25 2. Plaintiff Refai Properties, LLC is a Georgia limited liability company.
26 Dr. Refai is Refai Properties, LLC's sole member.
27 3. Defendant Raman Refaei is an individual resident of Newport Beach,
28 California.

1 4. On information and belief, Defendant Raman R, LLC is a fictitious,
2 non-existent limited liability company that Defendant Raman Refaei used as the
3 signatory of the promissory notes securing the loans he obtained from plaintiffs, as
4 discussed further below. Raman R, LLC is not registered with the California
5 Secretary of State or the Georgia Secretary of State and, on information and belief,
6 the entity is not registered in any other state. Although plaintiffs do not believe
7 Raman R, LLC actually exists, plaintiffs sue that entity out of an abundance of
8 caution in the event that the entity was created but not legally registered in any state.

9 5. The true names, capacities, and/or liabilities of Does 1-10, inclusive
10 (the "Doe Defendants") are unknown to plaintiffs at this time, and plaintiffs
11 therefore sue said defendants by such fictitious names. After the true names,
12 capacities, and/or liabilities of the Doe Defendants, or any of them, are ascertained,
13 plaintiffs will amend this complaint accordingly. Each of the Doe Defendants is
14 indebted to plaintiffs and is legally responsible and liable in some capacity for the
15 events described below, and each caused injury and damage to plaintiffs. Plaintiffs
16 specifically allege that none of the Doe Defendants are citizens or residents of
17 Georgia.

18 6. Raman Refaei, Raman R, LLC, and the Doe Defendants, and each of
19 them, were the agents, servants, and/or employees of each of the other defendants
20 were at all relevant times acting within the course and scope of their authority as
21 such agents, servants, and/or employees, and with the consent of the other
22 defendants. Each of the defendants has ratified, condoned, authorized, and/or
23 approved the acts and omissions of said agents, servants, and/or employees and the
24 other defendants.

25 **JURISDICTION AND VENUE**

26 7. This Court has diversity jurisdiction over this matter pursuant to 28
27 U.S.C. § 1331 because: (a) plaintiffs are Georgia citizens, (b) defendant Raman
28 Refaei is a citizen of California; (c) defendant Raman R, LLC, to the extent it

1 actually exists, is either a California citizen or a citizen of a state other than Georgia;
2 and (d) as described further below, the amount in controversy equals or exceeds
3 \$2,371,392.00, exclusive of collection costs.

4 8. Venue is appropriate in the Southern Division of the U.S. District Court
5 for the Central District of California because defendant Raman Refaei resides in
6 Orange County, California.

7 **FIRST CAUSE OF ACTION**
8 **Breach of Promissory Notes**
9 **(Against All Defendants)**

10 9. Plaintiff Daniel Refai, MD is a successful Atlanta neurosurgeon and
11 businessman. Defendant Raman Refaei is Dr. Refai's cousin.

12 10. In late 2015, Raman Refaei asked to borrow money from his cousin.
13 Refaei represented that the loans would be used to purchase and develop real estate
14 in California, as well as to fund the creation of various business ventures Refaei
15 sought to pursue.

16 11. Between January 2016 and December 2018, Dr. Refai and Refai
17 Properties, LLC extended loans to Raman Refaei totaling at least \$1,538,000.00.
18 Each loan was memorialized in a written promissory note signed by Refaei on behalf
19 of Raman R, LLC. A summary of the loans made by plaintiffs to defendants and the
20 promissory notes signed by defendants is set forth below:
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Promissory Notes by Defendants and Loans Extended by Plaintiffs

<u>Note Date:</u>	<u>Total Loan Disbursed Under Note:</u>	<u>Individual Loans Secured by Note:</u>
1/18/2016	\$250,000.00	(a) \$100,000.00 – paid by check #249 dated 1/17/16 (b) \$50,000.00 – paid by check #250 dated 1/25/2016 (c) \$50,000.00 – paid by check #251 dated 2/1/2016 (d) \$50,000.00 – paid by check #252 dated 2/10/2016
5/6/2016	\$200,000.00	(a) \$100,000.00 – paid by check #262 dated 5/6/2016 (b) \$50,000.00 – paid by check #263 dated 5/10/2016 (c) \$50,000.00 – paid by check #264 dated 5/15/2016
11/6/2016	\$300,000.00	(a) \$100,000.00 – paid by check #284 dated 11/6/2016 (b) \$100,000.00 – paid by check #285 dated 11/8/2016 (c) \$100,000.00 – paid by check #286 dated 11/10/2016
6/28/2017	\$340,000.00	(a) \$100,000.00 – paid by check #313 dated 7/1/2017 (b) \$100,000.00 – paid by check #315 dated 7/4/17 (c) \$140,000.00 – paid by check #316 dated 7/10/2017
12/8/2017	\$40,000.00	(a) \$40,000.00 – paid by check #327 dated 12/8/2017
12/5/2018	\$408,000.00	(a) \$170,000.00 – paid by wire on 12/27/2017 (b) \$180,000.00 – paid by wire on 5/3/2018 (c) \$58,000.00 – paid by wire on 12/6/2018

1		Total Loans Disbursed to Defendants:	<u>\$1,538,000.00</u>
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4 12. Each of the above-described written promissory notes signed by
5 defendants is a “demand” note that does not contain an express maturity date.

6 13. None of the above-described written promissory notes signed by
7 defendants contain an express interest rate. Rather, defendants promise to pay
8 interest at an undefined “market” rate upon receipt of loan funds. Accordingly,
9 interest at 7% per annum accrued on all loans received by defendants. *See, e.g.*, Cal.
10 Const., art. XV, § 1; *Soleimany v. Narimanzadeh*, 78 Cal. App. 5th 915, 924 (2022)
11 (applying constitutional 7% default rate to notes containing no express interest
12 rates).

13 14. Each of the above-described written promissory notes signed by
14 defendants require defendants to pay reasonable attorneys’ fees and other collection
15 costs in the event plaintiffs are required to initiate legal proceeds to collect unpaid
16 sums under the notes.

17 15. Each of the above-described loan checks and/or wires were written to
18 Raman Rafaei individually and were deposited into his personal checking account.

19 16. Plaintiffs are informed and believe, and on this basis allege, that
20 defendants did not use the loan proceeds to fund the purchase and development of
21 California real estate or other business ventures, as defendants promised. Instead,
22 plaintiffs are informed and believe, and on this basis allege, that Raman Rafaei and
23 the Doe Defendants used plaintiffs’ loans to fund Raman Rafaei’s luxurious personal
24 lifestyle.

25 17. As noted above, plaintiffs are informed and believe, and on this basis
26 allege, that Raman R, LLC is a fictitious and non-existent entity that, more
27 specifically, did not exist at the time Raman Rafaei executed the written promissory
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notes as a purported representative of that entity. Accordingly, Raman Rafaei is personally liable for all sums owed under each of the written promissory notes.

17. Defendants failed to make any repayments of interest or principal to plaintiffs under the written promissory notes, nor did defendants provide plaintiffs with any accounting of how defendants were using the loan proceeds.

18. Accordingly, in December 2022, plaintiffs made a formal demand upon Raman Rafaei and Raman R, LLC for repayment of all sums due and owing under the written promissory notes. Defendants ignored that demand and have failed and refused to repay all interest and principal owing under the written promissory notes. As a result, defendants have breached the written promissory notes.

19. As of December 12, 2024, Raman Rafaei and Raman R, LLC owe the following amounts of interest and principal under each of the written promissory notes:

<u>Note Date:</u>	<u>Total Loan Disbursed Under Note:</u>	<u>Accrued Interest on Outstanding Amounts (as of December 12, 2024):</u>
1/18/2016	(a) \$100,000.00 – paid by check #249 dated 1/17/16	\$62,367.12
	(b) \$50,000.00 – paid by check #250 dated 1/25/2016	\$31,106.85
	(c) \$50,000.00 – paid by check #251 dated 2/1/2016	\$31,039.73
	(d) \$50,000.00 – paid by check #252 dated 2/10/2016	\$30,953.42
5/6/2016	(a) \$100,000.00 – paid by check #262 dated 5/6/2016	\$60,257.53
	(b) \$50,000.00 – paid by check #263 dated 5/10/2016	\$30,090.41
	(c) \$50,000.00 – paid by check #264 dated 5/15/2016	\$30,042.47
11/6/2016	(a) \$100,000.00 – paid by check #284 dated 11/6/2016	\$56,728.77
	(b) \$100,000.00 – paid by check	\$56,690.41

1		#285 dated 11/8/2016	
2		(c) \$100,000.00 – paid by check	\$56,652.05
3		#286 dated 11/10/2016	
4	6/28/2017	(a) \$100,000.00 – paid by check	\$52,183.56
5		#313 dated 7/1/2017	
6		(b) \$100,000.00 – paid by check	\$52,126.03
7		#315 dated 7/4/17	
8		(c) \$140,000.00 – paid by check	\$72,815.34
9		#316 dated 7/10/2017	
10	12/8/2017	(a) \$40,000.00 – paid by check #327	\$19,646.03
11		dated 12/8/2017	
12	12/5/2018	(a) \$170,000.00 – paid by wire on	\$82,876.16
13		12/27/2017	
14		(b) \$180,000.00 – paid by wire on	\$83,367.12
15		5/3/2018	
16		(c) \$58,000.00 – paid by wire on	\$24,448.99
17		12/6/2018	
18		Total Accrued Interest	\$833,392.00
19		(as of December 12, 2024);	

20. Defendants have no legal defense or other justification or excuse for their failure and refusal to repay all amounts owed under their written promissory notes.

21. All conditions precedent to the filing of this action have been satisfied, waived, and/or excused.

Accordingly, plaintiffs respectfully request the following relief from this Court:

1. Enter judgment for plaintiffs and against defendants, jointly and severally, for breach of the written promissory notes in an amount to be determined at trial or otherwise, such amount consisting of at least \$1,538,000.00 in unpaid principal, \$833,392.00 in unpaid interest, and

1 additional interest at 7% on all unpaid principal amounts from
2 December 12, 2024 through the entry of judgment;

- 3 2. Award plaintiffs' their reasonable attorneys' fees and other collection
4 costs as contemplated by the written promissory notes;
5 3. Tax all costs of this action against defendants; and
6 4. Award plaintiffs such other relief as this Court deems just and proper.

7 Respectfully submitted,

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9 Dated: December 17, 2024

/s/ James M. Johnson
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*Attorneys for Plaintiffs
Daniel Refai, MD and
Refai Properties, LLC*

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14 **DEMAND FOR JURY TRIAL**

15 Plaintiffs hereby demand a jury trial of all triable issues in this matter.

16 Dated: December 17, 2024

/s/ James M. Johnson
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*Attorneys for Plaintiffs
Daniel Refai, MD and
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